

**TERRORISM RATES AND LOSS COST MULTIPLIERS
FOLLOW-UP TO BULLETIN 02-012 DATED DECEMBER 12, 2002**

**TERRORISM COVERAGE CANNOT BE EXCLUDED FROM NEVADA
WORKERS COMPENSATION INSURANCE POLICIES**

Pursuant to Nevada Revised Statutes (NRS) 686B.030, NRS 686B.050, and NRS 686B.060, the Division of Insurance (Division) has approved a terrorism loss cost of 2 cents per \$100 of payroll for the voluntary market and a rate of 3 cents per \$100 of payroll for the assigned risk market. These rates apply to policies effective on or after March 1, 2003. All carriers must comply with NRS 687B.350, renewal with altered terms.

For the voluntary market, each insurer must file their Loss Cost Multipliers (LCM) pursuant to NRS 686B.1775. Due to the nature of the terrorism exposure, each carrier must have a separate LCM for the terrorism exposure. To allow for flexibility, an LCM in the range of 0.00 to 1.50 will be approved. Those insurers choosing final rates in lieu of LCMs must have a final rate no greater than 3 cents.

Filings must include the Expense Worksheet (form ndoi-1100), form FFD-100, and a filing fee of \$25 per filing. All forms necessary to complete this filing are available on the Division's Web site at <http://doi.state.nv.us>. If you choose to file Expense Worksheet A -- With Expense Constant, please note that a separate expense constant will not apply to this charge.

This filing does not affect any previous filing for workers' compensation coverage. It only applies to the Terrorism filing pursuant federal Terrorism Risk Insurance Act of 2002.

ALICE A. MOLASKY-ARMAN
Commissioner of Insurance